

SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT (“Agreement”) is made and entered into on this 15th day of December, 2014, by and between THE CITY OF DETROIT (the “City”) and MICHIGAN COUNCIL 25 OF THE AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES, AFL-CIO (the “Union”), on behalf of itself and its affiliated Detroit locals, officers, agents, employees and members (collectively, the “Parties”).

WHEREAS, pursuant to the August 16, 2013 order issued by the United States Bankruptcy Court for the Eastern District of Michigan (the “Bankruptcy Court”) in the City’s chapter 9 Bankruptcy Case captioned *In re City of Detroit, Michigan*, Case No. 13-53846 (the “Bankruptcy Case”), the Parties have engaged in facilitative mediation with respect to certain of the Union’s grievances arising during the period prior to the commencement of the Bankruptcy Case on July 18, 2013 (the “Petition Date”) that are pending under either the City Employment Terms (“CETs”) between the Union and the City or the Union’s prior collective bargaining agreement (“CBA”) with the City, excluding grievances filed on behalf of employees working in either the Detroit Water and Sewerage Department or the Detroit Department of Transportation (collectively, the “Grievances”);

WHEREAS, the Grievances addressed herein (collectively, the “Settled Grievances”) are those outstanding Grievances listed in Attachment A hereto and all other Grievances arising prior to the Petition Date as listed on Exhibit 2 to Proof of Claim Number 2958 and any other versions of Exhibit 2 provided to the City by the Union, excluding the grievances on page 1 of Exhibit 2 filed by “All City of Detroit Locals”;

WHEREAS, the Parties have resolved all Settled Grievances pursuant to the terms outlined in this Agreement;

WHEREAS, the City and the Union agree to settle the Settled Grievances; withdraw any related pending arbitration demands; stipulate to the satisfaction of any proofs of claims filed in the Bankruptcy Court that are predicated on a Settled Grievance; file any related paperwork with the Bankruptcy Court regarding the satisfaction of such claims; and settle any other disputes between the Parties arising out of, or relating to, the Settled Grievances; and

WHEREAS, the consideration set forth in this Agreement satisfies in full any claims (or portions thereof) predicated on a Settled Grievance that the Union or an individual grievant filed in the Bankruptcy Case and the Union represents that it is authorized and empowered to act on behalf of itself, its affiliated Detroit locals, and the individual grievants affected hereby.

NOW, THEREFORE, based upon the foregoing recitals, and in consideration for the mutual promises and covenants herein, the Parties agree as follows:

1. Grievances: The Parties have agreed to settle the Settled Grievances. The Parties agree that the Settlement Payments identified in Attachment A, totaling \$27,368.09, and the other relief identified therein, fully and finally resolve any and all disputes between the Parties (and any applicable grievants, of affiliated Detroit Locals of AFSCME Council 25) with respect to the Settled Grievances. For the avoidance of doubt, any Settled Grievances not listed on Attachment A shall not be entitled to any payment from the City. The Union agrees to (a) withdraw with prejudice each of the Settled Grievances, to the extent it has not already done so, in writing addressed to

Michael A. Hall, Director, Labor Relations and Human Resources, and (b) file the appropriate paperwork with the Bankruptcy Court indicating satisfaction in full of any pending claims (or portions thereof) that are predicated on a Settled Grievance, as set forth in paragraph 4 below.

2. The City will issue the Settlement Payments, respectively, on the next administratively feasible payroll date after the both parties execute this Agreement.

3. The Parties acknowledge and agree that this Agreement shall fully and finally resolve any and all disputes between the Parties arising out of or relating to the Settled Grievances. By executing this Agreement, the Union, on behalf of itself, its officers, agents, employees and members, agrees to release, hold harmless and forever discharge the City, as well as the City's current and former attorneys, agents, and/or employees, in their individual and business capacities, from any and all claims and/or damages, arising from any act or omission that forms the basis of the Grievances, or any other disputes with respect to the grievants' employment, or termination from employment, with the City.

4. The Union agrees that the Settlement Payments satisfy in full any claims (or portions thereof) that it may have against the City with respect to the Grievances, and that the Union will not pursue claims for any such Settled Grievances in the Bankruptcy Case. Promptly, and in no event later than two business days after payment of the Settlement Payments hereunder, the Union shall file a notice of withdrawal with prejudice (the "Notice") of proof of claim numbers 2958 and 2851 (collectively the "Proofs of Claims") filed in the Bankruptcy Case, or the relevant portion(s) thereof relating to Settled Grievances, to eliminate any assertion of claims relating to a Settled Grievance. If the Proofs of Claim contain claims based on any other asserted liability other than the Settled Grievances, the Proofs of Claim shall be deemed amended to eliminate claims relating to the Settled Grievances without further action of any Party or the Bankruptcy Court..

5. The Parties acknowledge and agree that nothing in this Agreement constitutes an admission of liability by either Party.

6. This Agreement shall have no precedential value with respect to any grievances filed by the Union on or after the Effective Date. This Agreement may not be offered as evidence or referred to in any way in any future proceeding of any kind between the Parties except in an action by either Party seeking enforcement of the Agreement, or as required by law in connection with Bankruptcy Case No. 13-53846.

7. This Agreement will be effective upon execution by all Parties (the "Effective Date").

CITY OF DETROIT

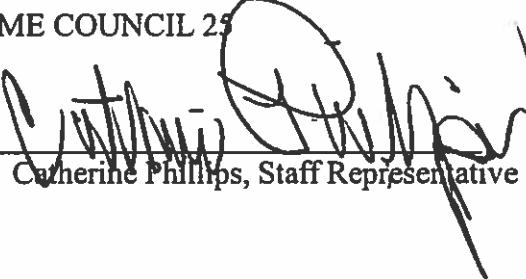
Date: 12-15-14

By: Michael A. Hall
Michael A. Hall, Director,
Labor Relations

Date: 12-15-14

AFSCME COUNCIL 25

By:


Catherine Phillips, Staff Representative